

# The Palmetto State Clean Fuels Coalition

## - We're On the Road to Cleaner Air -

A designated member of the US Department of Energy Clean Cities Program

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## A Message from the SC Energy Office

This newsletter is designed to brief you on the wonderful work that the Palmetto State Clean Fuels Coalition (PSCFC) has been doing over the past year and update stakeholders on a few changes that have happened within the organization.

As many may remember, the PSCFC received official US Department of Energy (DOE) Clean Cities designation in 2003 with the assistance of the Catawba Council of Governments (COG) and the South Carolina Energy Office (SCEO). The PSCFC has been coordinated since 2003 by Wendy Bell at the Catawba COG. As of April 2008, due to financial constraints, Wendy Bell was unable to continue her role as

the program coordinator. The SCEO made the decision to support the PSCFC through staff person Erika Hartwig, the alternative fuels and renewable energy coordinator. We are happy to report that Wendy Bell will continue to serve in an advisory role to the PSCFC and will continue work on two grants for alternative fuel infrastructure and anti-idling programs that were awarded under her purview.

In an effort to streamline efforts, it was decided at a meeting in June 2008 that the PSCFC would operate as a committee under the umbrella of a similar organization, the South Carolina Biomass Council (SCBC). The SCBC was created in April

2006 to advance biomass energy objectives in the state. Realizing that PSCFC encompasses many other fuels and technologies besides ethanol and biodiesel, the SCEO will continue to promote those alternatives through separate activities.

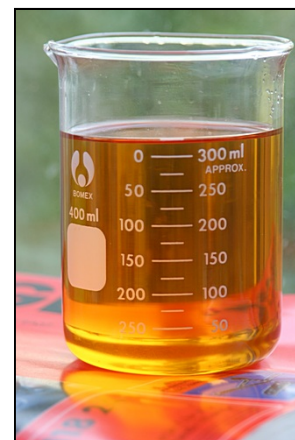
The SCEO looks forward to the future of PSCFC and continue to look for your support and guidance in this transition period. We are grateful for the work of Wendy Bell whose guidance has made South Carolina one of the top states in the nation for alternative fuels use.

## 2007 - 2008 Biodiesel Production

Despite the difficulties the biodiesel industry is facing due to high feedstock prices, there is continued interest by investors in developing projects in South Carolina. This is mostly due to attractive state incentives developed in part by the PSCFC and the SC Biomass Council.

To date, South Carolina has over 35 million gallons of installed capacity at three biodiesel facilities: Carolina Biofuels in Taylors, Southeast Biodiesel in North Charleston, and Ecogy Biofuels in Estill. However, due to market factors these companies produced substantially less than capacity

and reported approximately two million gallons of biodiesel production between July 2007 and June 2008 to the SC Department of Revenue. Feedstock prices will continue to be a significant problem in the future and the state needs to invest in research for cost-effective alternatives.



Biodiesel production was low in South Carolina between July 2007 and June 2008.

## Update on 2006 - 2008 Alternative Fuel Grants

This past year the PSCFC continued work on three grant projects.

In 2007 the PSCFC was awarded a \$10,000 grant from the National Biodiesel Board Foundation to host a SC Biodiesel Fuel Quality Symposium to educate state biodiesel fuel producers and other interested parties about the importance of fuel quality. Over 120 attendees participated in the conference, which was held at the Columbia Metropolitan Convention Center on September 19, 2007.



*The SC Biodiesel Fuel Quality Symposium featured biodiesel expert Hoon Ge of the National Biodiesel Board.*

The PSCFC also continued the work of a grant awarded in 2006 through the DOE. The Southeast Ethanol and Biodiesel Infrastructure Corridor Project was a grant for South Carolina, Tennessee, North Carolina, and Georgia Clean Cities Coalitions to install E85 and B20 fueling pumps near interstate highways. The grant allotted funds for seven E85 pumps and one B20 pump in South Carolina. So far one B20 and three E85 pumps have been installed in Santee, St. George, and Orangeburg from the grant and the remaining pumps are expected to be completed by fall 2008 in Blythewood, Rock Hill, and Bamberg.

The PSCFC continued work on a \$25,000 grant awarded

in 2007 from Congestion Mitigation Air Quality (CMAQ) funding through the South Carolina Department of Transportation (SCDOT) to develop and implement a two-year idle reduction education and awareness program at schools within the non-attainment boundary of York County. The Program has been developed and conducted in partnership with the SC Department of Health and Environmental Control-Bureau of Air Quality, the SCEO, the SC Department of Education, and the Museum of York County. The project intends to reduce air emissions by encouraging schools, parents, and the community to stop unnecessary vehicle idling.

Other grants in which the PSCFC partnered were completed in 2008 using 2006 DOE Special Projects Grants. These included:

- An E85 government pump in the City of Rock Hill;
- The installation of an above-ground 3,000 gallon ethanol tank and pump at the University of South Carolina;
- The retrofit of four 65,000 gallon tanks at United Energy's bulk storage facility in Aiken to store and dispense ethanol and biodiesel; and
- The conversion of Schwann's home delivery service trucks to use propane.

## SC Renewable Energy Grant and Loan Program Suspended

On June 23, 2008 the SC Supreme Court ruled that the language creating the SC Renewable Energy Infrastructure Development Act was not germane to the intent of H.3749, the Jobs Creation Tax Credit.

The grants and loans program has since been suspended due to this ruling. The SCEO and the SC Department of Agriculture are working on a solution for awardees from Rounds One

and Two but Round Three will be suspended until and unless a solution is reached by the SC General Assembly when legislators reconvene in January 2009.

This decision has come at a bad time for awardees, most of whom have begun their projects. While some work can be put on hold, much of it - like planting season - cannot.

"It is unfortunate that the program has been suspended at such a critical juncture for renewable energy in South Carolina," said Erika Hartwig, PSCFC Coordinator. "This grant program was making significant progress in our state."

Updates about the status of the program will be posted online at [www.energy.sc.gov](http://www.energy.sc.gov).

**"It is unfortunate that the program has been suspended at such a critical juncture for renewable energy in South Carolina." - Erika Hartwig, PSCFC Coordinator**

## Take a Break from the Exhaust

The SC Energy Office and the SC Department of Health and Environmental Control (SCDHEC) teamed up five years ago to develop a tracking software that would allow organizations to monitor ozone alert days and utilize alternative means of commuting to work to reduce emissions between May and September of each year. This program known as "Take a Break from the

Exhaust" (TABFTE) has become very successful and utilized around the country. During ozone season in 2007, thanks to the program, participants in South Carolina drove 146,967 fewer miles, avoided 592 pounds of volatile organic compounds (VOC) and 411 pounds of nitrogen oxides (NOx).

John Clark, Director of the SC Energy Office said, "We

are happy with the outcome of the TABFTE program and the level of participation. We look forward to many years of coordination with SCDHEC to improve air quality and reduce energy use."

If your organization is interested in participating in this free program for future ozone seasons, contact Jack Porter at SCDHEC at (803) 898-3829.



**"We are happy with the outcome of the TABFTE program and the level of participation. We look forward to many years of coordination with SCDHEC to improve air quality and reduce energy use." - John Clark, SC Energy Office Director**

## State Alternative Fuel Usage at a Record High

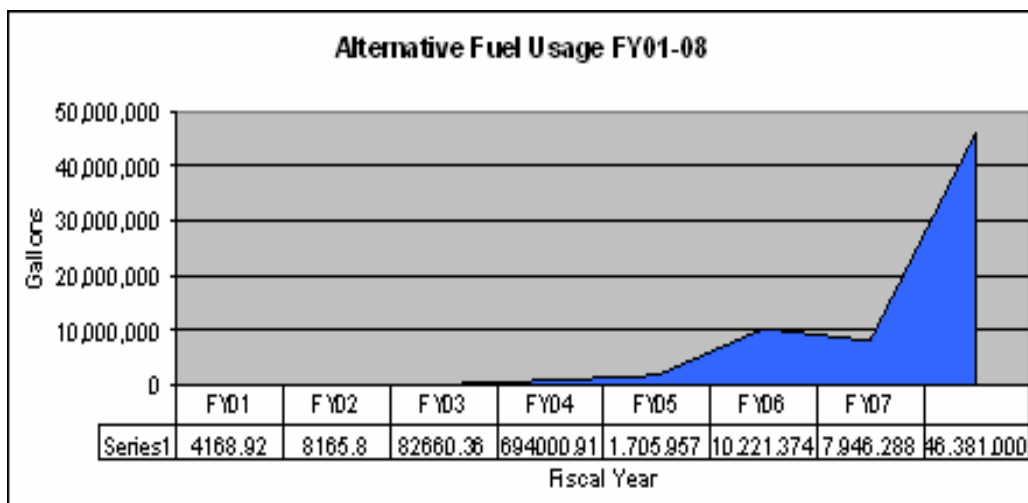
South Carolina is among the top in the nation for publicly-accessible E85 and biodiesel pumps and a leader in the Southeast thanks to the efforts of the PSCFC. As of July 2008, South Carolina has 55 publicly-accessible E85 refueling stations, and

52 biodiesel stations (ranging in blends from B5 to B99). Much of this success can be attributed to the commitment of fuel retailers such as the Spinx Company which is dedicated to providing alternative fuels at their station locations. Be-

tween July 2007 and June 2008 approximately 43 million gallons of ethanol and 1.5 million gallons of biodiesel were sold in South Carolina – the largest quantity by far since alternative fuel tracking began in July 2000. This represented 1.5%

of the total quantity of motor fuel sold in South Carolina during this period.

The SC state government reported using over 100,000 gallons of biodiesel, 34,000 gallons of ethanol, and 1,000 gallons of compressed natural gas. Biodiesel use increased due to a new state mandate that requires all state-owned pumps to contain at least B5. State biodiesel use will continue to increase as school buses try to meet a state goal of a B20 blend.



*Over 46 million gallons of biodiesel, ethanol, and compressed natural gas was sold in South Carolina between July 2007 and June 2008.*

## Osage Bio Energy Announces Ethanol Plant to use Barley

The SC Department of Commerce and Union County Economic Development Board have announced that Osage Bio Energy (OBE) plans to locate an ethanol production facility in eastern Union County. The \$161.5 million investment is expected to bring 75 new jobs.

OBE will build a barley-based ethanol production facility under the corporate designation Congaree Bio Energy, LLC, and will part-

ner with Carlisle Finishing in Carlisle, S.C., to seek operating efficiencies and infrastructure optimization opportunities.

OBE is committed to operating as a sustainable, environmentally responsible company and will differentiate itself from traditional corn-to-ethanol production companies in several key ways. OBE is com-



mitted to maximizing the opportunity to produce a truly renewable fuel by partnering with existing steam producers, utilizing its own

waste products for energy and procuring locally grown biomass.

The ethanol will primarily be produced from regionally grown barley and will be an advanced biofuel as defined by the Renewable Fuel Standard (RFS). Currently, in the Mid-Atlantic and Southeast

nearly five million acres per year remain unproductive in winter months. Barley is a winter crop that will be grown for the production of ethanol and does not compete for land for food production. It requires minimal fertilization, reduces nutrient runoff in winter months and allows farmers to grow summer crops, especially soybeans. The co-product of barley-based ethanol, a protein meal, is a superior feed supplement for local cattle, poultry and swine. For more information about the project, go to [www.osagebioenergy.com](http://www.osagebioenergy.com).

## SE Forward Fuels Mix

The Southeast Alternative Fuels Task Force has just released its first newsletter called *SE Forward Fuels Mix*. A section about the activities of the PSCFC and an update on South Carolina alternative fuels legislation can be found at [www.sealtfuels.org](http://www.sealtfuels.org), on page 6 of the newsletter.

## Calendar of Events

### SE Bioenergy Conference – Tifton, GA – August 12-14

This is the third year for this event which attracts business, industry, and government officials from around the southeast. For more information, go to [www.sebioenergy.org](http://www.sebioenergy.org).

### South Carolina Biomass Council – Columbia, SC - August 18

All PSCFC stakeholders are invited to attend the SCBC quarterly meeting from 2:00pm-4:30pm at the Clemson Sandhills Research and Education Center in Columbia. The meeting will feature Jetta Wong from EESI who will update the group on the 2008 US Farm Bill and other energy policies. For more information, go to [www.scbiomass.org](http://www.scbiomass.org).

### SC Bioenergy Feedstock Conference – Florence, SC - September 18

Please mark your calendars for the one-day Bioenergy Summit at the Clemson Pee Dee REC in Florence, SC hosted by Clemson University and the SC Biomass Council on Thursday, September 18th. The morning sessions will feature indoor presentations on the current status of biofuel production in South Carolina and across the nation. There will also be poster presentations on the many research and outreach programs being conducted across the State. After lunch, there will be a field tour highlighting research being conducted on different feedstocks including switchgrass, corn, and sweet sorghum. There will be no or only a minimal charge for the Summit. More information will be available in coming weeks. For more information, go to <http://agroecology.clemson.edu/switchgrass>.

### Biomass South – Raleigh, NC - September 22-23

This is a regional conference organized by the Southern Alliance for Forest Resources, Southern Growth Policies Board, National Association of State Energy Offices and Southern States Energy Board. For more information, go to [www.ces.ncsu.edu/nreos/forest/feop/biomass-south/2008.html](http://www.ces.ncsu.edu/nreos/forest/feop/biomass-south/2008.html).